RAJYA SABHA

Wednesday, the 17th August, 2005/26 *Sravana,* 1927 *(Saka)*

The House met at eleven of the clock, MR. CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

Extension of SEZ facilities

*321. SHRI K. RAMA MOHANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Indian apparel Export Units are demanding for extending SEZ facilities to their units set up outside SEZ;

(b) if so, the details thereof;

(c) whether it is also a fact that the Government of Andhra Pradesh has requested for opening up of SEZ; and

(d) if so, the details of the request and the action that has been contemplated on that?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) and (b) Suggestions have been received for extending facilities such as exemption from income tax as available to units in SEZ to apparel export units located outside the SEZ.

(c) and (d) On the basis of proposals received through the Government of Andhra Pradesh, approval has been given for setting up of 2 Special Economic Zones in Visakhapatnam and Kakinada. The Zone at visakhapatnam is proposed to be developed by AP Industrial Infrastructure Corporation Limited while that at Kakinada by the Kakinada SEZ Private Limited.

SHRI K. RAMA MOHANA RAO: Sir, the Minister has said that the Indian apparel export units have been demanding income-tax exemptions as are available to the units in SEZ. Not only income-tax exemptions, but they are also demanding duty-free imports or domestic procurement of goods operating outside SEZs apart from other things. Therefore, in my

first supplementary, I would like to know from the hon. Minister to what extent he has succeeded in giving them facilities demanded by the Indian apparel export units. May I know whether the Minister can give any time limit, by which the SEZs in Visakhapatnam and Kakinada become operational?

SHRI KAMAL NATH: Sir, the second part first that the Andhra Pradesh Industrial Development Corporation has to develop these. They have been giving the approval; and the other one in Kakinada is a private party. This is really for the State Government to drive it, and, to the extent of the regulatory framework, which involves the State Government, where the approval is concerned, that has already been given. So, if there is a concern regarding SEZs or the developers of the SEZs find any difficulty or need any clarification, the Central Government would act immediately.

The other question relates to apparel units or textile units which have been demanding some of the facilities of the SEZs. Sir, the SEZ is a regime of its own, it is as per the Act passed by Parliament, by this august House and there is a criterion to be an SEZ. We cannot have proliferation of SEZs because SEZ envisages a lot of freedom from the regulato.ry framework; it provides more or less autonomous structure where customs and other fiscal facilities are concerned. So, there have been demands that those who are exporting should get some facilities of the SEZs; and to give them level playing field. We cannot have a thing called virtual SEZ. Either there is a SEZ or there is no SEZ. SEZ is area specific.

SHRI K. RAMA MOHANA RAO: Sir, in my second supplementary, I would like to know from the hon. Minister whether it is true that there were some policy changes made by the Government in the month of September, 2004 to give further boost to the units set up by SEZ. If, 'yes', what impact does the policy changes have on the export of goods from SEZs in the first half of this fiscal? May I know whether these changes are going to be made applicable to the units outside SEZs? If not, the reasons may be given.

SHRI KAMAL NATH: Sir, SEZs have shown very large increase, and, as hon. Members are aware, the SEZs first worked under the administrative control, worked outside the domain of legal framework. After passing of the SEZ Bill by the Parliament, now it is governed under the Act. All the facilities to give it a regime of stability.are contained in the

SEZ Act. In fact, the whole object of the SEZ Act was to bring into a legal framework various facilities and concessions so that the investors would have confidence.That being done so, now the SEZ Act, having been passed by both the Houses of Parliament, having been notified, is now operational. So, there is now substantial interest and increase in exports of SEZ. The SEZ exports have risen year by year. Last year, they have risen by 32 per cent. The exports from SEZ have risen by 32 per cent over the previous year. There are 811 units operating in SEZ, providing employment to one lakh people.

MR. CHAIRMAN: That is enough.

SHRI JAIRAM RAMESH: Sir, the hon. Minister just said that he is against the proliferation of SEZs. But, I understand that there are proposals for around 56 SEZs on the ground today, So, my question is: Is he diluting the concept of SEZs altogether, I mean, is he abandoningthe rigid criteria needed for declaring a particular facility in SEZ? Surely, having 56 SEZs and more to come, is making a mockery of the concept of SEZ.

SHRI KAMAL NATH-: Sir, this is not a mockery. This really demonstrates the good SEZ policy that we have. If anybody wants to come into the SEZ, if SEZ have shown such a remarkable increase in exports, SEZ have a criterion. Anybody and everybody cannot come into the SEZ. That is what I was saying. SEZ cannot come just in five acres or ten acres. It has a minimum criterion which is laid down. An SEZ must have a minimum of 1,000 hectares of land, because, unless it has 1,000 hectares, there will be no viability in developing that infrastructure. Now, SEZs, which are not product specific, have a minimum criterion of 1,000 hectares. Only 47 have been approved. And, we must recognise that there are cases where some have been approved and not taken off. So, we do anticipate that there will be many proposals by the State Governments, from entrepreneurs, from developers to have SEZs because of the success it is showing.

SHRI RAJKUMAR DHOOT: Thank you, very much, Sir. I would like to know from the hon. Minister, through you, whether the Government is thinking of opening up an SEZ in Marathwada region in Maharashtra. It is very essential for the development of this backward region. Sir, the request, in this regard, has been pending for the last so many years with the Ministry.

SHRI KAMAL NATH: Sir, the Central Government does not open SEZs. It is for the State Government or the private entrepreneurs to open the

SEZs. The SEZ Act, as passed by this House, provides that the SEZs will be promoted by the entrepreneurs or by the Industrial Development Corporations or any other agency of the State Governments, because, one, there is a developer of the SEZ, other is, within the SEZ, units have to come. So, if the Maharashtra Government, or, the hon. Member find some entrepreneur to move a proposal, within the norms, as laid down in the SEZ Act, the Government will be happy to consider that

SHRI RAJKUMAR DHOOT: Sir, my request is, there is one area in Aurangabad of 2-3 hundred acres which has been requested for being declared as SEZ.

SHRI KAMAL NATH: Sir, I am afraid, to my knowledge, there is no proposal pending. But, if there is a proposal, should there be a proposal, which meets the norms of 1,000 hectares, unless it is product specific, these norms of area do not apply to product specific, there are certain criteria when there is a product specific, like for IT, if there is an IT SEZ, that may not require 1,000 hectares.

MR. CHAIRMAN: You look into the proposal, if there is any.

श्री दत्ता मेघेः सभापति महोदय, हमारे मंत्री महोदय को यह मालूम है कि नागपुर में बुटीवोरी में यह 1000 हेक्टेयर से बड़ा है। सर, कल ही दोनों हाऊसेज़ के सांसदों के साथ हमारे वस्त्र उद्योग मंत्री ने मीटिंग की। वहॉ कॉटन रोल बहुत पैमाने पर तैयार है, वह खेप भी महाराष्ट्र के नाम पर भेजी है। आप हमारे पडोस वाले हैं कम-से-कम यह नागपुर में जरुर हो सकता है। वहां सारी फ़ैसिलिटीज हैं। ...(**व्यवधान**)...

श्री सभापति : केवल पडोसी होना ही क्वालिफ़िकेशन नहीं हैं। ... (**व्यवधान**) ..

श्री दता मेघे : नही, सर । इनको मालूम है। वस्त्र-उद्योग मंत्री जी ने कल की मीटिग में ... (व्यव्धान) ... कल की मीटिंग में दो घंटे बैठे। ... (**व्यवधान**) ...

श्री सभापति : मेरी बात ही नहीं सुन रहे आप । ... (**व्यवधान**) ... मै यह कह रहा हूँ, ... (**व्यवधान**) ... आप बात तो सुन लो केवल पडोसी होना ही इसके लिए क्वालिफ़िकेशन नहीं हैं।

श्री दत्ता मेघे : उनको मालूम है, सर । उनको सब चीज मालूम है। वे वहां से होकर जाते हैं छिंदवाडा सब उनके लोग वहां हैं । इसलिए मैंने कहा कि जो यह एक हजार एकड की वूटीवोरी की स्टेट हैं।

श्री सभापति : ठीक है, आप क्वैश्चन कर लीजिए।

श्री दत्ता मेघे : सर, उसमें करेंगे क्या आप ?

श्री सभापति : अगर आपके पडसी है, सब जानते हैं, तो क्वैश्चन करने की जरुरत ही नही है।

श्री दत्ता मेघे : सर, उनको मालूम है। मैं कोई गलत बात नही कर रहा हूँ, उनको मलूमात है।

श्री कमल नाथ : सर, माननीय सदस्य की यह जानकारी सही है कि मुझे मालूम है,

श्री सभापति : फ़िर आप आपस में ही तय कर लेना। ...(**व्यवधान**)...

श्री कमल नाथ : सर, यह मेरे पडोसी नही है, मै इनका पडोसी भी हूँ । जहां तक जो आप कह रहे हैं, यह एक हजार एकड की बात है, इस पर मुझे खुद इसकी चिंता है, क्योंकि इससे जुडे हुए मेरे अपने जिले का भी महत्व जुडा हुआ है और जो आसपास के इलाके छिंदवाडा से जुडे हुए है, स्वाभाविक है कि उनको प्राथमिकता मिलेगी ? ...(**व्यवधान**)...

श्री सभापति : क्या बाकी के क्षेत्र को नहिं मिलेगी ? ... (**व्यवधान**)...

श्री मोती लाल वोरा : सर, यह तो बडा पक्षपात हैं , घोर पक्षपात है। ...(**व्यवधान**)...

SHRI SHANTARAM LAXMAN NAIK: Sir, there is an apprehension in the minds of especially the smaller States that economic zones require large tracks of land. There is also an apprehension that this is an old wine in a new bottle. Can the Minister distinguish between the Special Economic Zones which were established earlier and the existing Special Economic Zones? What is the distinction between the two?

SHRI KAMAL NATH: Sir, previously, as I said, there was a regime, there was a regulatory framework which was not under the law passed by Parliament. Obviously, there were facilities which were there in the past. The point was to give it an element of stability, to bring it under the legal statute so that people would have confidence in it. The Government is apt to change certain facilities, certain incentives and certain regulations from time to time. Now that there is an Act passed by Parliament, all the supervisory systems, which are laid down, are defined in the Act. That is the biggest change which has taken place.

बिहार के किशनगंज जिले में चाय का उत्पादन

*322. **श्री मंगनी लाल मंडल :** क्या वाणिज्य और उद्योग मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि बिहार के किशनगंज जिले में गत कुछ वर्षो से चाय की खेती और उत्पादन प्रारम्भ हो गया है;